

Commonwealth of Virginia Fiscal Fundamentals

Statewide Monitoring of APA Audit Reports

Department of Accounts

Audit Report

- Issued by Auditor of Public Accounts (APA)
- Includes:
 - An audit opinion
 - A management letter of findings and/or deficiencies
 - Recommendations for improvement

Audit Opinions

- Unqualified – No findings or deficiencies
- Qualified – Minor findings and deficiencies
- Adverse – Major deficiencies and findings that can materially misstate financial data
- No Opinion – A disclaimer that auditors cannot satisfy themselves that financial data are fairly presented

Audit Findings & Recommendations

- Address weaknesses in internal controls.
- Address instances of noncompliance with rules and/or regulations
 - State
 - Federal
 - Internal Policies & Procedures

Agency Responsibilities

- Develop a comprehensive response to any audit findings and/or reported deficiencies.
- Include a Corrective Action Workplan (CAW) in the response.
- Provide written progress reports to the State Comptroller every 90 days until the findings and/or deficiencies are corrected. Upon correction, the Agency Head must certify the correction in writing to the State Comptroller.

Audit Response Procedures

- Agencies must send written response to State Comptroller within 30 days after receiving final audit report.
- Response must include the CAW. The workplan should:
 - Summarize the audit findings (What)
 - Identify the proposed corrective actions (How)
 - Provides target dates for completion (When)
 - Names the position or person responsible for implementing each corrective action (Who)
- Transmit copies of the response to:
 - Director of Department of Planning and Budget
 - Appropriate Cabinet Secretary
 - Auditor of Public Accounts

Audit Response Procedures

- DOA logs and evaluates the response.
- If DOA finds the response inadequate:
 - DOA will notify the agency.
 - Agency must send a revised response within 15 days.
 - Agency must send revised response to DPB Director, Cabinet Secretary, and APA.
- Agencies must:
 - Submit status reports every 90 days on resolving comments,
 - Report the status of any outstanding questioned costs,
 - When a finding is corrected, the Agency Head must certify the correction in writing to the State Comptroller.

Single Audit Report

- Contains a “Resolution of Prior Year Audit Findings” Section.
 - Identifies all resolved and unresolved findings from all previous single audits
- DOA includes agencies’ responses in the Single Audit Report.

References

- CAPP Manual Topic
 - [10205](#), Agency Response to APA Audit
- Code Reference
 - Code of Virginia [Section 2.2-5004.B. – C.](#), Financial and Administrative Management Standards for Public Institutions of Higher Education

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